

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-678

November 13, 1998

EASTERN MAINE ELECTRIC COOPERATIVE
Request for Waiver of Chapter 309
Bill Unbundling

ORDER APPROVING
ELECTRICITY
SUPPLY RATES

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

This Order establishes electricity supply rates for Eastern Maine Electric Cooperative's (EMEC) illustrative unbundled bills that it will issue in accordance with Chapter 309 of the Commission's rules. Rates for electricity supply service will appear separately on customers' bills beginning January, 1999 to illustrate future competitive market provision of this service. Section 3 of Chapter 309 delegates authority to the Commission's Director of Technical Analysis to approve electricity supply rates proposed by a utility, or to order rates for use on unbundled bills.

On October 1, 1998, EMEC submitted a proposal for electricity supply rates. Subsequent to the October 1 filing, EMEC provided additional information and a modification to its October 1 filing. As originally proposed, EMEC's rates for electricity supply service would reflect the cost of power supply embedded in its overall rates plus the fuel clause rate. EMEC later revised its proposal to eliminate Maine Yankee-related costs from the electricity supply rates because they are not reflective of current or near-term market prices. Including Maine Yankee-related costs in the supply rather than in the delivery component of EMEC's unbundled bills could confuse or mislead customers.

Based on EMEC's current fuel clause rate, the electricity supply rates by customer class would be:

	<u>Energy</u> <u>(\$/kWh)</u>	<u>Demand</u> <u>(\$/kW)</u>
Residential	.06027	n/a
Seasonal	.06027	n/a
Small Commercial	.04606	\$3.10
Large Commercial	.04606	\$3.10
Public Buildings	.04606	\$3.10

EMEC has also proposed to simply use a single rate per kWh (e.g., as shown above for the residential class) for all classes, thereby avoiding the need to unbundle demand charges. In addition, EMEC noted that in the future its electricity supply rates may differ slightly from those shown above and may change during the January 1999 - February 2000 period to correspond to changes in the fuel clause rate.

Based on my review of EMEC's proposal and the supplemental information provided, I find that EMEC's proposed electricity supply rates are reasonable for use on its illustrative unbundled bills.

Accordingly, it is

O R D E R E D

Eastern Maine Electric Cooperative's illustrative electricity supply rates for unbundled bills in accordance with Chapter 309 as described in this Order are approved.

Dated at Augusta, Maine this 13th day of November, 1998.

BY ORDER OF THE
ACTING DIRECTOR OF TECHNICAL ANALYSIS

Faith Huntington

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of adjudicatory proceedings are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 6(N) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.11) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which consideration is sought.

2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.

3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note:The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.